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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF COMMERCE

PUBLIC NOTICES

IMPORT TRADE CONTROL

New Delhi, the 21st May 1968

SUBJECT.—*Conditions for licensing imports under the Italian Suppliers Credit.*

No. 86-ITC(PN)/68.—The revised conditions governing the issuance of licences under the Italian Suppliers Credit as given in Appendix to this Public Notice are notified for the information of trade.

APPENDIX

Revised Conditions for Licensing under the Italian Suppliers Credit

1. The import licence should be issued with an initial validity period of 3 months only during which firm orders on c.i.f. or c.&f. basis must be placed. If orders cannot be placed within three months the licence should be submitted for revalidation during the fourth month giving reasons for the delay in placing orders and indicating the date by which orders would be placed. Such requests will be considered on merits by the Chief Controller of Imports & Exports/Iron & Steel Controller in consultation with the Ministry of Finance, Department of Economic Affairs.

2. The contract of supply between the Indian Importer and the Italian Supplier is subject to the approval of the Governments of India and Italy for being financed under the Italian Credit arrangements. Importers should take special care to incorporate a clause in the contract to this effect. Orders once approved should not be cancelled without prior concurrence of the Department of Economic Affairs.

3. The value of the contract should be expressed in *Italian Lire* calculated at the International Monetary Fund (I.M.F.) Parity rate which at present stands at 1 Italian Lire = Rs. 0·012. This rate will stand modified if the I.M.F. Parity rate undergoes any change.

4. The following payment terms may be included in the contract with the Italian supplier after satisfying by making such enquiries as may be necessary, that the prices are competitive:

(a) Payment of 3 to 5 per cent (of the c.i.f./c.&f. value excluding Indian Agents commission if any, which should be paid in Rupees only) on order becoming effective;

(b) Payment of 5 per cent on completion of shipment;

(c) The balance, namely 90 to 92 per cent spread over in equal instalments, annual or half-yearly, over a period of ten years—first instalment commencing one year after the completion of shipment in the case of annual instalments and six months after the completion of shipment in the case of half-yearly instalments;

(d) The rate of interest on outstanding balances of the principal including credit insurance charges, if any, should not exceed 6 per cent per annum; and

(e) The contract should be for the c.i.f. or c.&f. value of the goods.

5. A Bank Guarantee from a first class bank may have to be furnished by Indian importer to the satisfaction of the Italian supplier in respect of the deferred payment part of the contract. A financial agreement has been concluded between Istituto Mobiliare Italiano (IMI) Italy and the State Bank of India (SBI) under which the imports authorised under the Italian Supplier Credit may be financed by IMI under a guarantee to be given by the SBI. If the importer desires to include the supply contract within the scope of this financial agreement, licensing conditions as per Annexure I will apply.

6. Six certified copies of the contract should be furnished by the importer to the Ministry of Finance, Department of Economic Affairs, Europe II Branch, New Delhi, immediately on conclusion of the contract within the validity period of the import licence. The requisite number of certified copies of contract in respect of which the financing of the import is arranged within the framework of the IMI-SBI agreement referred to in para 5 above, should be forwarded to the Ministry of Finance through the concerned Branch of the SBI.

7. The following information should also be sent to the Department of Economic Affairs, along with copies of the contract:

(i) Details of the import licence—

(a) Number

(b) Date of issue and date of revalidation, if any, and period of validity.

(c) Value.

(ii) Whether contract finalised within the validity period of the import licence,, if not, reasons for the same.

(iii) Whether the import is to be financed within the framework of the IMI-SBI agreement referred to in para 5 above.

(iv) Name and address of the Indian importer.

(v) Name and address of the Italian supplier.

(vi) Value of the contract in Italian Lira———————————— (Rupees————————).

(vii) Short description of goods to be imported.

(viii) Terms of delivery (e.g. c.i.f., c. & f., etc.).

(ix) Schedule for deliveries—expected date of completion of deliveries.

(x) A schedule showing dates and amount of repayment of principal and payment of interest.

(xi) Indian Agents' commission, if any, included in the contract.

(xii) Branch of the RBI having jurisdiction over the place where importer functions.

8. Remittance against the down payments shall not be made until the contract is made effective on its approval by the Indian and Italian Governments.

ANNEXURE 1

Conditions for licensing under the Italian Supplier Credit to be financed within the framework of Agreement dated 12th September 1967/9th November 1967 between Istituto Mobiliare Italiano (IMI) of Italy and State Bank of India (SBI).

1. The import licence shall be issued within an initial validity period of 3 months only during which firm orders on c.i.f. or c. & f. basis must be placed on the Italian supplier. If orders cannot be placed within three months the licence should be submitted for revalidation during the fourth month giving reasons for the delay in placing orders and indicating the date by which orders would be placed. Such requests will be considered on merits by the Chief Controller of Imports and Exports/Iron and Steel Controller in consultation with the Ministry of Finance, Department of Economic Affairs. The importers who are able to complete placement of orders within the three months' period stipulated above can, however, seek suitable extension in the validity of thier licences, based on the delivery schedules given in the contracts as soon as they have completed the ordering.

2. The contract of supply between the Indian importer and the Italian supplier is subject to the approval of the Government of India and Italy for being financed under the Italian Credit arrangements. Importers should take special care to incorporate a clause in the contract to this effect. Orders once approved shall not be cancelled without prior concurrence of the Department of Economic Affairs.

3. It should be specifically mentioned in the supply contract/confirmation order of the Italian supplier that the financing of the supply will be within the framework of IMI-SBI Agreement and subject to acceptance by the IMI and SBI authorities.

4. The following payment terms may be included in the supply contracts with the Italian suppliers:

(a) Payment of a minimum of 3 per cent and a maximum of 5 per cent (preferably 3 per cent) within 30 days;

(b) Payment of 5 per cent on completion of shipment; and

(c) The Balance, namely 90 to 92 per cent, as the case may be spread over in equal half-yearly instalments, over a period of 10 years—the first instalment commencing 6 months after the completion of shipment;

(d) The rate of interest applicable on outstanding balances of the principal including credit insurance charges, if any, should not exceed 6 per cent per annum.

(e) The contract should be for the c.i.f. or c. & f. value of the goods.

5. Within a fortnight of placing of orders, the licence holders should submit their applications for financing the contract under the programme indicated in para 3 above along with 8 certified copies of the contracts concluded with the Italian suppliers and a report in the proforma given below to the State Bank of India, New Delhi, through the licence holders' Bankers (A Branch of the SBI or any other Scheduled Bank, as the case may be). The State Bank of India, New Delhi, will forward the report and six copies of the contract to the Ministry of Finance, Department of Economic Affairs (E. II Branch), Secretariat, North Block, New Delhi, for obtaining their approval to the contract. After the Government's approval has been obtained, the SBI, New Delhi, will notify IMI of the contract

and will request them to grant the financing therefore declaring at the same time its willingness to provide the guarantee required under the Agreement Pro-forma for Report.

(i) Details of the import licence—

(a) Number.

(b) Date of issue and date of revalidation, if any, and period of validity.

(c) Value.

(ii) Whether contract finalised within the validity period of the import licence. If not, reasons for the same.

(iii) Name and address of the Indian importer.

(iv) Name and address of the Italian supplier.

(v) Value of the contract in Italian Lire———————————— (Rupees————————————).

(vi) Short description of goods to be imported.

(vii) Terms of delivery (e.g. c.i.f., C.&f. etc.).

(viii) Scheduled for deliveries—expected date of completion of deliveries.

(ix) A schedule showing dates and amount of repayment of principal and payment of interest.

(x) Indian Agent's commission, if any, included in the contract.

(xi) Branch of the RBI having jurisdiction over the place where importer functions.

6. The applications mentioned in condition (5) above should be accompanied by the licence holders' (or their bankers including a Scheduled Bank, as the case may be) undertaking to pay on demand by the State Bank of India, New Delhi, the amounts payable by them from time to time in accordance with the terms of the credit arrangement with the IMI including a commitment commission of 0.40 per cent payable immediately on receipt of IMI's consent to finance the contract under the programme.

7. IMI will contact the Italian exporter and obtain the approval of the Government of Italy after satisfying themselves regarding credit insurance and will advise the State Bank of India, New Delhi, whether it would finance the proposed transaction. IMI will also notify the Italian exporter accordingly.

8. On receipt of the IMI's confirmation the supply contract will be deemed to have come into effect and the State Bank of India, New Delhi, will credit IMI a lump sum commitment commission at the rate of 0.40 per cent of the amount of the supply contract excluding the amount payable in cash as advance and against shipment. The State Bank of India, New Delhi, will also advise the importer (through his Banker, where applicable) and the Ministry of Finance, Department of Economic Affairs, (Europe II Branch), Central Secretariat, New Delhi, regarding the acceptance of the contract for financing under the arrangements.

9. The payment of 3 to 5 per cent within 30 days of the entry into force of the contract and 5 per cent on completion of shipment will be made under irrevocable letters of credit. At the time of forwarding the letters of credit the State Bank of India, New Delhi, will send to the Italian Bank an undertaking to make available to the exporter the bills of exchange made out in Italian Lire representing the deferred payments.

10. In regard to the balance of 90—92 per cent, the Italian exporter will issue a series of 20 Bills of Exchange on the importer falling due every six months from the 6th to the 12th month date in respect of goods shipped or services rendered. The dates of issue of such bills will correspond:

—for goods, to the date of the respective bill of lading.

—for services, to the date of rendering the same as shown by the document prescribed in the contract which shall be sent in time to the SBI, New Delhi, by the exporter.

Such bills together with the documents required by the Indian Bank in conformity with the supply contract will be sent through the Italian Agent Bank to the SBI, New Delhi, with the condition that the document should be held in trust on behalf of the Italian Agent Bank until such time as the relative bills of exchange, duly accepted by the Indian importer and endorsed for the acceptor's guarantee by the State Bank of India, New Delhi, are mailed to the Italian Agent Bank.

11. The Indian importer will pay interest at the specified rate from the date of isue of the series of bills, in semestral instalments with the same due date as the bills of exchange included in the series. Accordingly, the actual amount for which each bill in the series should be issued will equal 1/20th of the 90—92 per cent balance plus the interest instalments computed on the outstanding balances on the entire series.

12. Each party to the supply contract will pay any tax levy, stamps etc., due in his country in relation, connection or consequence of such contract or its performance, payment, disbursement of interest and the like.

SUBJECT.—*Conditions for licensing imports under the Second Danish Food Loan,* 1968.

No. 87-ITC(PN)/68.—The conditions governing the issuance of import licences under the Second Danish Food Loan, 1968 as given in Appendix to this Public Notice are notified for the information of the trade.

APPENDIX

Conditions for Licensing Private Sector Imports under the Second Danish Food Loan, 1968

1. Firm orders on C.I.F. basis must be placed on the Danish supplier within three months from the date of issue of the Import Licence. If orders could not be placed within three months, the licence should be submitted for revalidation during the fourth month giving the reasons for the delay in placing orders and indicating the date by which orders would be placed. Such requests will be considered on merits by the Chief Controller of Imports and Exports in consulation with the Ministry of Finance, (Department of Economic Affairs). The importers who are able to complete placement of orders within the three months period stipulated above can, however, seek suitable extension in the validity of their licences, based on the delivery schedules given in the contracts as soon as they have completed the ordering. Extensions in such cases can be given by the licensing authorities without consulting the Ministry of Finance, Department of Economic Affairs.

2. The contract of supply between the Indian Importer and the Danish Supplier is subject to the approval of the Governments of India and Denmark for being financed under the Second Danish Food Loan arrangements. Importers should take special care to inform the suppliers about this condition and also incorporate a clause to this effect in the supply contract. It should be ensured that the Milk Powder or such other food-stuffs and agricultural necessities being imported have been manufactured in Denmark. Moreover, orders once approved will not be cancelled without prior concurrence of the Department of Economic Affairs.

3. The value of the contract should be expressed in Danish Kroners, calculated at the International Monetary Fund Parity rate. The contract should normally provide for payment on cash basis *i.e.* on presentation of shipping documents.

4. Four copies of the contract, when concluded, should be furnished by the Importer to the Ministry of Finance, Department of Economic Affairs, Europe-II Section, New Delhi. The following information should also be sent to the Department of Economic Affairs alongwith the copies of the contract:—

(1) Details of the Import Licence—

(a) Number.....

(b) Date of issue.....

(c) Value.....

(ii) Name and address of the Indian Importer.....

(iii) Name and address of the Danish Supplier.....

(iv) Value of the contract in—

(a) Danish Kroner.....

(b) Rupees.....

(v) Short description of goods to be imported.....

(vi) A schedule indicating possible dates and amounts of payment to the supplier may also be given. The delivery period may be indicated as so many months from the date of approval of the contract by the Danish authorities. Since the processing of the contract till it is approved by both the Governments takes sometime, precise dates of delivery indicated in the contract might lapse necessitating fresh delivery period being indicated before payment is authorised.

(vii) Details of shipping documents which the Danmarks National Bank should demand from the suppliers before making payment, together with the number of copies of each document required.....

.....

(viii) Indian Agents' Commission, if any, included in the contract.....

.....

5. The payment to the Danish Supplier under the contract will be made by the Denmarks National Bank on the strength of a letter of authority (in the form at Annexure-I) which will be issued by the Ministry of Finance, Department of Economic Affairs on the basis of the information furnished *vide* para 4 above and after the receipt of bank guarantee contemplated in para 9 hereof.

6. On receipt of the copies of the contract, and the information required in paragraph 4 above, the Department of Economic Affairs will approach the Danish authorities through the Indian Embassy in Denmark, for approval to the contract being financed under the Danish Food Loan. The letter of authority to the Danmarks National Bank will be issued only after the approval of the Danish authorities has been received.

7. The Danmarks National Bank may be charging incidentals to cover-expenses incurred on postage and cables, etc. All these charges will be recoverable from the Importers.

8. The importers will have to deposit:—

(i) The rupee equivalent of the payments to the suppliers in Danish Kroners and the charges indicated in para 7 above, at the rate of One Danish Kroner=Rs. 1.01 Indian Rupees. Any revision in the rate of exchange will be advised to the Importers/their bankers by the Department of Economic Affairs as and when it takes place;

(ii) Interest at the rate of six per cent per annum between the date of actual payment to the supplier by the Danmarks National Bank and the date of actual deposit of the rupee equivalent in the State Bank of India, Delhi or Reserve Bank of India, New Delhi.

9. The importers will be required to furnish a bank guarantee from an approved scheduled bank in the form attached (Annexure-II) agreeing to deposit the amounts specified in paragraphs 7 & 8 above.

The foot-note under the Bank Guarantee form should be noted for strict compliance.

NOTE (1).—The money specified in paragraphs 7 and 8 above shall be deposited with the State Bank of India, Delhi, or the Reserve Bank of India, New Delhi, or remitted by means of a demand draft drawn in favour of the Accountant General, Central Revenues, New Delhi-1 on the State Bank of India, New Delhi for credit to the Central Government account under the head of account

"T—Deposits and Advances—Part II, Deposits not bearing interest—(C) Other deposit Accounts—Departmental and Judicial Deposits—Civil Deposits—Deposits for purchases abroad—Purchases under Credits/ Loan Agreements—Deposits for cost of equipment, etc., obtained under the Second Danish Food Loan 1968."

NOTE (2).—No Letter of Credit or remittances from India will be permitted against this Import Licence towards the cost and/or freight of the goods to be imported.

ANNEXURE-I

No.

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(Department of Economic Affairs)

To NEW DELHI, the.....

The Danmarks National Bank,

COPENHAGEN.

Dear Sirs,

SECOND DANISH FOOD LOAN AGREEMENT OF 25TH MARCH 1968—LETTER OF AUTHORITY NO.....

In accordance with the terms and conditions of the above Credit Agreement, we hereby authorise you irrevocably to pay an amount of

Danish Kroners.....

to.....

against the delivery of the following documents:—

Invoice.....copies

Bill of Lading.....copies

Insurance Policy, if any.....copies, etc.

covering the import of.....
against Contract No.....approved by the Danish Ministry of Foreign Affairs on.....

2. After payment, the original set of the above documents may kindly be forwarded direct to the.....

3. The amount paid plus your charges, if any, may be debited to our Account with you designated Government of India—Special Food Account No. 2 and necessary debit advice (in duplicate) forwarded to the Ministry of Finance, Department of Economic Affairs, Economic Aid Accounts Branch, New Delhi.

4. One copy each of the above debit advices including the Bank charges, if any, may also be sent to the Importer in India.

5. This authority will remain valid upto the.....day of .....

Yours faithfully,

( )

Deputy/Under Secretary to the Government of India.

ANNEXURE II

GUARANTEE BOND

(To be furnished by Banks under the procedure for the import of goods under the Second Danish Food Loan, 1968)

To

The President of India,

In consideration of the President of India (hereinafter called 'the Government') having agreed to arrange for payment in Danish Kroners for the import of..... .....by.....(hereinafter called the 'Importer') under the terms and conditions of the Second Danish Food Loan of 30 million Danish Kroners and in pursuance of Import Licence No..... issued on.....in favour of the importer against the above agreement, we.....Bank Limited at the request of the importer hereby undertake to arrange to deposit the amounts of the disbursements made by the Danmarks National Bank and their commission and postal charges, converted at the rate of One Danish Kroner equivalent to 1.01 Indian Rupee within ten days of the receipt of advice of payment for credit to the Government account in the manner and against the appropriate Heads of Account as indicated by Government of India under the said credit together with interest at the rate of six per cent per annum on the amounts disbursed to the supplier from the date of payment to the Danish supplier to the date of payment of rupee equivalent for credit to the Government Account. The negotiable set of import documents received from the Danmarks National Bank will be released to the importer only after the rupee deposits contemplated above have been made.

2. We the.....Bank Limited, also undertake to indemnify and keep indemnified the Government against any default in payment by the Importer of any sum that may be due and payable from time to time by the Importer to the Government at such place and in such manner as the Government may from time to time direct such sums not exceeding Rs .....or any part thereof for the time being due and payable by the Importer together with interest thereon at the rate of six per cent per annum from the date of payment to the Danish Supplier out of the Second Danish Food Loan of 30 million Danish Kroners. The decision of the Government as to any default in the said payment by the Importer or on his part and in regard to the amount payable to the Government by us..... .....Bank Ltd., shall be final and binding on us..... .....Bank Ltd.

3 We.....Bank Ltd. further agree that in case of increase in the value of import or increase in the value of unfulfilled deliveries under the contract as a result of change in the composite rate of exchange mentioned in para 1 above the amount of this guarantee bond will be adjusted as on the date when the change takes place in proportion to this change.

4. We.....Bank Ltd., further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement contract and that it shall continue to be enforceable till all the dues to the Government under or by virtue of this guarantee have been fully paid and its claims satisfied or discharged.

5. The guarantee herein contained shall not be affected by any change in the constitution of the Importer or the.....Bank Ltd., and the Government shall have the fullest liberty without affecting the guarantee to postpone for any time and from time to time any of the powers exercisable by it against the Importer and either to enforce payment by the importer of any of the amounts the payment whereof is intended to be hereby secured and the.....Bank

Ltd., shall not be released from its liability under this guarantee by any exercise the Government of the liberty with reference to the matters aforesaid or by reason of time being given to the Importer or any other forbearance, act or omission on the part of the Government or any indulgence by the Government to the Importer or by any matter or thing whatsoever which under the law relating to sureties shall, but for this provision, have the effect of so releasing the .....Bank Ltd., from its such liability.

6. We.....Bank Ltd., undertake not to revoke this guarantee during its currency except with previous consent of the Government in writing.

7. Our liability under this guarantee is restricted to Rs..... (plus interest and commission charges, if any, not expected to exceed one per cent of the guaranteed amount) and this guarantee shall remain in force till the.....day* of.....(month) 19.....Unless claims under this guarantee are made in writing within six months of this date and unless a suit or action to enforce these claims is commenced within another six months thereafter i.e. up to....., all Government's rights under this guarantee shall be forfeited and we shall be relieved and discharged from all liability thereunder.

Dated the.....day of.....

For.....Bank Ltd.

Accepted for and on behalf of
the President of India by Shri

.....

(Name & Designation)

Signature.....

*This date shall be arrived at by adding one month to the date by which all payments to the Suppliers are expected to be finalised.

NOTE.—The value of the stamped paper on which this guarantee is to be executed is to be adjudicated by the Collector of Stamps.

P. D. KASBEKAR,
Chief Controller of Imports & Exports.

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